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Assessing Perceptions of the Integrative Justice Model Propositions: A Critical Step Toward Operationalizing a Macro Model

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Abstract: Propositions underlying the theoretical tenets of the Integrative Justice Model (IJM), a normative, ethical framework for engaging in impoverished markets, are investigated for reliability in application. Santos and Laczniaik provide numerous decision principles to help the marketer to evaluate fairness in the marketplace exchange, yet which are most reflective of the core tenets and most useful in application? Managerial perceptions of the extent to which the propositions reflect the core tenets of the IJM are evaluated in this critical step toward operationalizing the model. Factor analysis is implemented with a relatively small sample, a challenge particularly common in research with the impoverished or marginalized, to evaluate the decision principles most reflective of the core tenets, from the perspective of the marketer/manager. Normality is not considered a critical assumption of factor analysis where groups of like variables are clustered into underlying constructs. This work articulates a critical step in

macromarketing research methods, exemplifying an approach resilient to micro samples under macro frameworks.

Keywords integrative justice model, macromarketing, ethics assessment, ethical framework, marketing ethics, impoverished markets, factor analysis

Introduction

Contemporary marketers face increasingly complicated challenges when considering any given marketing environment and its social/cultural, political, economic, regulatory, and natural environmental demands. These external influences have traditionally served as a basis for analyzing the broader context of the marketing environment ([Perreault and McCarthy 2000](#)), but what assessment tools are available to today's macromarketer who recognizes the linkages between markets, marketing and society, and strives to create marketplaces that serve to enhance life for all? How can the marketer assess what is happening against what ought to be? Is what "ought to be" culturally dependent or is there a more universal perspective of the common good that can serve as a foundation for evaluating perceptions of fairness in the marketplace exchange?

We propose the Integrative Justice Model (IJM) ([Santos and Laczniaak 2009a](#)) as a normative framework for marketers to identify fairness (used interchangeably here with the term "justice") in marketing practices. The IJM is designed with an intentional focus on recognizing the impact, or potential impact, of marketing on the impoverished or otherwise marginalized, vulnerable consumer. Given that the vulnerable consumer ought to always be considered, this work aims at the development of an assessment tool to help marketers identify fairness in marketing practices. The key tenets of the IJM to be evaluated include an authentic engagement with consumers (with non-exploitative intent); representation of stakeholders' interests; co-creation of value; investment in future consumption, and financial sustainability (or long-term profit management vs. short term profit maximization). [Santos and Laczniaak \(2012\)](#) propose a series of decision principles for each of the tenets of the IJM that should be considered by the marketer evaluating the justice inherent the marketplace exchange. This work is a starting point in assessing marketers' and managers' perceptions regarding the tenets of the IJM and its decision principles in an effort to develop a useful guide to enhancing fairness in the market exchange, under the common assumption that both parties (e.g., buyer/seller, donor/beneficiary) benefit (at least somewhat evenly) from the exchange. To ensure the integration of justice or fairness into marketing practices, the marketer should evaluate the extent to which authentic engagement, value co-creation, stakeholders' interests, investment in future consumption,

and financial sustainability are evidenced. The ultimate goal is to develop a scale that measures justice in marketing practices, and here the methodological process begins with identifying useful operational measures, that are clear to marketers and managers, and reflective of the key tenets of the IJM. Therefore, we begin the process of developing an instrument for such an evaluation tool by first measuring attitudes regarding the extent to which marketers and managers agree that the various propositions, proposed by [Santos and Lacznia \(2012\)](#), reflect each of the core tenets of the IJM. The items deemed most reliable will be used in the development of measurement scales for each tenet, then later tested in practice, an essential next step in the operationalization of the IJM.

Historical Perspectives and Macro Practices

The concept of marketing ethics goes back centuries – to the traders outside the temple in the new Testament, to Thomas Aquinas, to the bread sellers in England in the 1300s, to the snake oil sellers of the 1800s, to Max Havelaar in 1859, to Kennedy's consumer rights, through the 1960s and 1970s to the sustainability arguments of the UN Brundtland commission, several good marketing ethics texts from the eighties, nineties – and the whole macromarketing movement through its decades long history. Even though a social perspective for marketing management was suggested as early as the 1960s and 1970s ([Caplovitz 1967](#); [Kotler 1972](#); [Kotler and Levy 1969](#); [Kotler and Zaltman 1971](#)), it was not until 2003 that the *societal*/marketing concept was clearly articulated to hold that organizations are to determine target market needs, then strive to deliver superior value to customers so as to improve well-being for both the customer and society ([Kotler and Armstrong 2003](#)). [Andreasen \(2012, p. 37\)](#) suggests that “the field has yet to adequately respond to Kotler, Levy and Zaltman's urgings 40 years ago to broaden and encompass non-profit and social marketing.” Such contexts are far more complex and it is the commercial application of profit maximization that is the simplified task of a marketer. In other words, the field has it backwards. This argument leads to his suggestion that marketers must “devise analytic frameworks that accommodate both social and commercial context” and that research aimed at target markets should “consider a range of behaviors as desired outcomes – not just sales – and aim to identify commonalities and differences among them.” Further, “marketing ethics and public policy arguments should comprise a range of market and social settings, not merely commercial ones” ([Andreasen 2012, p. 37](#)).

It is important to note that the critique of businesses and their competitive marketing strategies has deep roots. From Adam Smith's conclusion of the *Wealth of Nations* ([1776](#)):

"As during their whole lives they are engaged in plans and projects, they have frequently more acuteness of understanding ... their thoughts, however, are commonly exercised rather about the interest of their own particular branch of business, than about that of the society...The proposal of any new law or regulation of commerce which comes from this order ... ought never to be adopted till after having been long and carefully examined... It comes from an order of men whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it."

Ida [Tarbel \(1904\)](#), in the *History of the Standard Oil Company: The Price of Oil* offers this startling reminder of John D. Rockefeller's incentive and power over prices:

"The profits were staggering...a gallon was sold at 35 cents which cost the dealer 10 cents. $\frac{1}{4}$ cent profit was considered large on export oil at the time. In 1877, on a capitalization of \$3.5 million dividends of \$3,248,650.01 was paid by Standard oil. Stockholder Samuel Andrews witnessed in 1879 that they could have paid twice the dividend and had money to spare" (p. 537).

A macromarketing approach is imperative in working toward alleviating the negative residual effects of allowing essentially autocratic powers in commerce in the United States, a nation that oftentimes serves as model to emerging economies. The impact is on not only developed western cultures, but also stabs most profoundly the two-thirds of the global community living on less than \$2/day in subsistence marketplaces. This is the 21st century reality that macromarketers are called to address and work toward improving.

Macromarketing and Normative Marketing Practices

The macromarketing perspective provides a pragmatic, crucial layer of intricacy that aims at serving society, not marketing management, with a focus on the interactions between marketing, markets and society. Careful investigation and analysis of the potential effects of marketing decisions on those served by a marketing system is essential, requiring normative marketing frameworks and tools to conduct such assessments.

As [Singhapakdi et al. \(2010\)](#) elaborate, implicit institutionalization of ethics in the workplace, where ethics are understood to be critical to the firm's functionality, serves the financial health of the organization, as well as the marketplace as a whole. Implicit (normative) ethics in the workplace yields better quality of work life (QWL) in organizations thus having a positive impact on employees' life satisfaction ([Sirgy et al. 2001](#)), higher-order need satisfaction ([Giacalone and Jurkiewicz 2002](#)), job performance ([Rego and e Cunha 2008](#)), consumer perceptions of service quality ([Dabholkar and Abston 2008](#)), their well-being and in turn life satisfaction ([Sirgy, Lee, and Rahtz 2007](#)). Intriguingly, the [Singhapakdi et al. \(2010\)](#) results showed that while implicit institutionalization of ethics had an effect on QWL, explicit efforts such as ethics committees, orientations and policy manuals did not. The implication is that "marketers need to develop an ethical culture implicitly to increase the QWL within their organizations" ([Singhapakdi et al. 2010](#), p. 89). We suggest that an implicit understanding of the IJM framework, developed within the context of a macromarketing approach to sustainable enterprise ([Peterson 2013](#)), and supported by explicit decision principles useful in assessing adherence to the tenets of the IJM ([Santos and Lacznia 2012](#)), can guide marketers toward a more reflective evaluation of justice in marketplace exchanges.

Analyzing Fair Marketing Practices

[Lacznia and Murphy \(2006\)](#) identify two types of analysis in the nexus of marketing and society. The first, more traditional, analysis focuses on the managerial effectiveness and efficiency of marketing practices, using the external influences (e.g. economic, technical, and political) to guide managerial decisions. This analytical perspective, coupled with the common evaluation of strengths, weaknesses, opportunities and threats (SWOT analysis) has been the focus of most undergraduate and MBA coursework on marketing strategy, with limited attention paid to analyzing the impact of marketing decisions on consumers, particularly the marginalized as in the case of non-profit or social marketing, or multinational corporations engaged in economically underdeveloped markets.

Thus, a second perspective that addresses this imperative need is to thoughtfully *analyze* the ethics of marketing practices ([Lacznia and Murphy 2006](#)). This is not to discount a rich tradition of societal analysis including ethical inquiry ([Alderson 1964](#); [Bartels 1967](#); [Patterson 1966](#); [Walton 1961](#)), followed more recently by [Nill and Schibrowsky's \(2007\)](#) systematic review of marketing ethics research which identified a vast increase in marketing ethics knowledge in the previous twenty-five years. As of the 2007 review, much progress has been made in understanding marketers' ethical dilemmas,

their values, decision making processes, and cross cultural issues. Yet, the review called for more research into the nature of marketing ethics and ethical theory, suggesting that practitioners were seeking “strategies and decision-making systems that work, [and] an understanding of ethical theories...to better structure ethical questions” ([Nill and Schibrowsky 2007](#), p. 272). [Nill and Schibrowsky \(2007\)](#) identified analysis of fundamentally normative questions in marketing ethics as underrepresented in the literature, warranting, albeit difficult, an articulation and justification of professional standards, at the time lacking in marketing ethics studies.

The “Integrative Justice Model” as a Tool for Assessing Fairness in Marketing Practices

Initially introduced in the business ethics literature ([Santos and Laczniak 2009a](#)), the Integrative Justice Model (IJM) continues to gain traction in the marketing literature ([Facca-Miess and Santos 2014](#); [Laczniak and Santos 2011](#); [Santos and Laczniak 2009b, 2012](#)). It is a normative ethical framework for marketing to impoverished market segments, constructed using the normative theory building process in philosophy proposed by John [Bishop \(2000\)](#). The IJM integrates the notion of “fairness” or “equity” in marketing transactions as developed in different strands of thought in moral philosophy and management theory. [Santos and Laczniak \(2009b\)](#) present the IJM in the context of marketing with impoverished populations, yet the framework can be useful in any marketing context where arguably the vulnerable ought to always be considered. Five overarching principles, or elements, are proposed and can be used as a guide for marketers working with the poor. Consider the IJM elements each of which have been theoretically validated by [Santos and Laczniak \(2009a, 2009b, 2012\)](#) with support from Catholic Social Teaching, Kant’s Categorical Imperative, Ross’ Theory of Duties, Rawls’ Theory of Justice, Habermas’ Discourse Theory, Virtue Ethics, Service Dominant Logic of Marketing, Sen’s Capability Approach, Classical Utilitarianism, Sustainability Perspective, the Triple Bottom Line, Stakeholder Theory, and Socially Responsible Investing:

1. Authentic engagement with impoverished consumers and with non-exploitative intent
2. Co-creation of value with customers, especially with those who are impoverished or disadvantaged
3. Investment in future consumption without endangering the environment
4. Interest representation of all stakeholders, particularly impoverished customers
5. Focus on long-term profit management rather than on short-term profit maximization

[Santos and Laczniaak \(2012\)](#) clarify a corporate responsibility approach to marketing at the base of the pyramid, proposing a number of decision principles for each of the five elements that serve in this research as variables to be measured. For example, regarding *authentic engagement with non-exploitative intent*, as well as *co-creation of value*, the following sample propositions apply and are developed as mutually exclusive variables measured in this research:

Authentic engagement

1. A business firm should strive to develop trust with its customers at all levels
2. A business firm ought to develop its competitive advantage through a process of collaboration rather than focusing on eliminating competition
3. A business firm ought to take a long-term perspective that improving the quality of society and the environment is to the benefit of all

Co-creation of value

1. Instead of autonomously positing what constitutes value for impoverished customers, a firm ought to involve such consumers in the value creation process itself
2. A business firm ought to use its resources to ensure that its fairly priced offering proposes what is of best economic value for its targeted impoverished customers
3. A business firm should engage in a co-creation process that fosters sustained partnerships and develops mutual trust with impoverished customers that extends beyond the consumption of the product or service

See Web Appendix for a full description of each item as measured in the survey instrument.

The IJM clearly offers the called-for normative framework for fairness in marketing practices yet in order to enhance its usefulness for academics and practitioners, the major constructs (tenets) of the IJM must be operationalized in a way that provides context adaptability, yet preserves the structure of the normative framework for fair marketing practices.

This research aims at developing a structure for operationalizing the constructs of this normative framework for *just* marketing, namely the “Integrative Justice Model” (IJM). Operationalizing a construct involves determining the measured variables that will represent a construct and the way in which it will be measured ([Hair et al. 2010](#)). Construct

validity will be assessed to understand the extent to which the measured variables actually represent the theoretical latent constructs measured with the IJM.

Method

Primary data was gathered from marketers and managers in both for and non-profit organizations to validate the measurement of five theoretical constructs within the IJM. An online survey designed in Qualtrics™, the IJM Survey was administered by the authors to a purposive sampling directed at yielding responses from marketers in varied types of organizations including social entrepreneurs, social businesses, non-profit organizations, multinational corporations engaged in marketing in impoverished areas, and traditional entrepreneurs. The online survey link was sent via email to the participant list of an entrepreneurs' association affiliated with a mid-size, private Midwestern U.S. university, as well as to managers in local non-profit organizations affiliated with the university. To encourage responses from non-traditional entrepreneurs, the authors sent the link to known social entrepreneurs working in non-U.S. contexts. The sample is comprised of 46% who self-categorized as for-profit corporations, 14% small for-profit businesses, 25% non-profits and social entrepreneurs. Ten percent of the organizations have been in business less than a year, 13% between one and ten years, 7% 16-20 years, and nearly 70% more than twenty years. Although 78% are U.S. based, a substantial portion operate in other countries including Argentina, Belgium, Canada, China, Germany, Japan, Indonesia, Philippines, Thailand, United Arab Emirates, and the United Kingdom. The respondent gender split is 56% male, 44% female.

As the primary intent of this research effort is to validate the measures that can help a marketer identify fairness in a marketing context, we focus on the perceptions of respondents and the extent to which they agree that each decision principle reflects the given tenet of the IJM. Each of the evaluative items proposed to reflect the various tenets of the IJM, based directly on the decision principles proposed by [Santos and Laczniaik \(2012\)](#), were measured on a Likert-type scale (e.g., 1 = low agreement to 10 = high agreement). Respondents were asked to identify the extent to which they agreed that each decision principle reflected the corresponding tenet of the IJM as proposed by [Santos and Laczniaik \(2012\)](#). Each tenet was introduced fairly simply, for example:

This first section is about authentically engaging consumers without seeking to exploit them:

1. An organization should strive to develop trust with its customers at all levels
Agree? (Rate 1 to 10)

The Web Appendix details each of the items (decision principles) measured for each of the five tenets of the IJM as theoretically proposed by [Santos and Laczniaik \(2012\)](#). Exploratory factor analysis is implemented as a means to reduce the items (or variables) in a way that reveals underlying constructs, thus supporting the structure of the tenets being measured. Again, the intent is to isolate the items that best reflect each of the respective tenets of the IJM. If an item is well understood to represent the corresponding tenet, it is potentially suitable for inclusion in a justice evaluation instrument.

Factor analysis is used with the data set of 118 respondents. Normality, which may be compromised with small samples, is not considered a critical assumption of factor analysis where we are interested in clustering, or correlating, groups of like variables into underlying constructs. For most datasets, common factor analysis and principle components analysis will lead to similar substantive conclusions ([Wilkinson, Blank, and Gruber 1996](#)). Given our limited dataset, common factor analysis, or principle axis factoring, yields a comparable result to the principle components method of extraction. Therefore we elect to use the latter as our aim is dimension reduction and the development of scales reflective of the constructs and decision principles of the IJM.

Analysis

The principle components extraction method of factor analysis yields a useful five factor solution that explains 84% of the variance. Names for the underlying constructs are assigned to each of the components and include “Interest Representation of Stakeholders” (STR) for the first component which explains 26% variance, “Authentic Engagement” (AE) for the second which explains 22%, and “Value Co-creation” (VC) for the third, explaining 20%. A fourth component, “Investment in Future Consumption” (IFC) explains 9%, yet with only two items, thus requiring further development. A fifth component emerges, reflecting the explicit notion of “demonstrated consideration (of ethics)” with only one item, loading at .90 and explaining the final 7% of the total explanation (84%). While this item was initially proposed as a stakeholder measure, the notion is clearly worthy of further development. The item reads as follows: “A firm ought to demonstrate through business policies and ethical audits that it does consider the interests of all its stakeholders.” [Table 1](#) details the variables loading on each of the factors as found in the rotated component matrix. The Varimax orthogonal rotation method was specified in the generation of the components ([Kaiser 1958](#)). Another check to support the five factor solution is the Cattell

scree plot ([Figure 1](#)) which suggests that the decline in eigenvalues stops with the fifth component.

Table 1. Exploratory Factor Analysis.

Factor component (84% total Var. Explained)	Cron-bach's Alpha	Item	Loading	IJM Element ^a
Interest Representation Stakeholders (26%)	.95	6 items		
		Decisions do not further disadvantage impoverished	.85	STR (d)
		Engage in dialog with low income consumers (LIC)	.87	STR (e)
		Understand LIC constraints	.85	STR (f)
		Enable market access	.86	STR (i)
		View impoverished market segment (IMS) as opportunity	.78	LTPM (d)
Authentic Engagement (22%)	.94	6 items		
		Improve society benefits all	.76	AE (c)
		Formalize consumer rights	.82	AE (g)
		Sustainable product development, minimize eco-footprint	.74	IFC (d)
		Create sustainable value in long run	.84	LTPM (a)
		Consider social goals as ends	.85	LTPM (b)
Value Co-creation (20%)	.96	5 items		
		Fairly priced offering proposes best economic value	.79	VC (b)
		Foster sustainable partnerships, build mutual trust	.85	VC (c)
		Leverage local innovation	.73	VC (d)
		Increase capability of LIC to participate	.78	IFC (b)
		Afford product/svc access (lease, share) vs. ownership	.75	IFC (e)
Investment in Future Consumption (9%)	.60	2 items		
		Foster social sustainability	.74	AE (f)
Demonstrated Consideration (7%)	n/a	1 item		
		Demonstrate consideration of stakeholders through business policies, ethical audits	.90	STR (a)

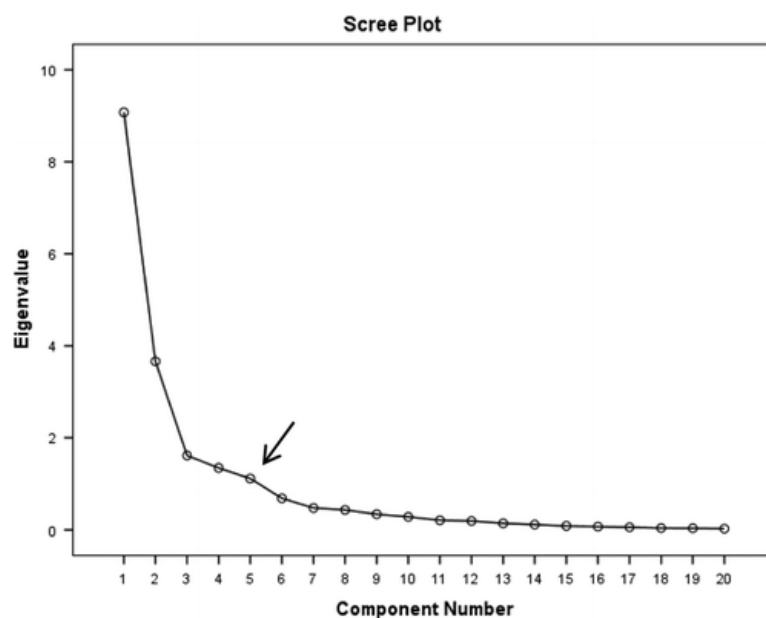


Figure 1. Scree plot suggesting 5 factor solution.

Means and standard deviations for each of the items retained are presented in [Table 2](#). Scores are biased toward the high end of the scale, potentially due to respondents' propensity toward social desirability in the self-report context ([Arnold and Feldman 1981](#); [Marlowe and Crowne 1964](#)).

Table 2. Item Statistics.

Item	Mean	SD
Interest Representation of Stakeholders		
<i>Decisions do not further disadvantage impoverished</i>	8.78	1.15
<i>Engage in dialog with low income consumers (LIC)</i>	8.37	1.08
<i>Understand LIC constraints</i>	8.04	1.58
<i>Enable market access</i>	8.04	1.76
<i>View impoverished market segment (IMS) as opportunity</i>	7.85	1.97
<i>Ensure product/svc info easily understood</i>	8.31	2.22
Authentic Engagement		
<i>Improving society benefits all</i>	9.04	1.75
<i>Formalize consumer rights</i>	8.75	1.29
<i>Sustainable product development, minimize eco-footprint</i>	8.75	2.21
<i>Create sustainable value in long run</i>	7.89	2.04
<i>Consider social goals as ends</i>	7.50	1.33
<i>Long term success based on social, environmental, financial returns</i>	8.93	1.86
Value Co-creation		
<i>Fairly priced offering proposes best economic value</i>	7.86	2.10
<i>Foster sustainable partnerships, build mutual trust</i>	7.68	2.42
<i>Leverage local innovation</i>	7.46	2.39
<i>Increase capability of LIC to participate</i>	7.43	2.31
<i>Afford product/svc access (lease, share) vs. ownership</i>	6.82	2.34
Investment in Future Consumption		
<i>Foster social sustainability</i>	9.19	1.04
<i>Partner with local NGOs to leverage network expertise & goodwill</i>	7.57	2.10
Demonstrated Consideration		
<i>Demonstrate consideration through policies, ethical audits</i>	8.62	1.82

Reliability of the Factors

To validate the reliability of the factors, as if they were scales unto themselves, consider the inter-item correlation, and Cronbach's coefficient of reliability ([Cronbach 1951](#)). The goal is a scale that is internally consistent, yet each variable contributes unique information ([Table 3](#)). Each of the three primary factors yields a reliable scale with α ranging from .93 to .96 and inter-item correlations well exceed the suggested threshold of .30 ranging from .52 to .77 ([Robinson, Shaver, and Wrightsman 1991](#)). Investment in Future Consumption (IFC) yields $\alpha = .60$ with two items and is recommended for further conceptual development, as is the concept of "demonstrated consideration" of stakeholders through business policies and ethical audits.

Table 3. Reliability of Factors.

Factor (# items)	Mean inter-item correlation	Inter-item variance	Coefficient of reliability for scale
Stakeholders (6)	.77	.003	$\alpha = .95$
Authentic Engagement (6)	.72	.006	$\alpha = .93$
Value Co-creation (5)	.75	.005	$\alpha = .96$
Future Consumption (2)	.52	.000	$\alpha = .60$
Demonstrated consideration (1)	—	—	—

Validity Assessment

Having established internal consistency, content validity is subjectively assessed to confirm that the items falling on each of the constructs ([Table 1](#)) represent the theoretically validated tenets of the IJM. The far right column of [Table 1](#) provides the theoretical tenet established in earlier IJM research ([Santos and Laczniaak 2012](#)), which each item was designed to measure. Nomological validity of our operationalization is evident in that the items falling on the factor do in fact represent the relationships theoretically shown to exist between the decision principles and the tenets of the IJM. By extracting latent constructs, factor analysis inherently produces a measure of discriminant validity in that each of the scales represents a sufficiently different concept. Factor scores, an alternative to summated scales, are used for comparative analysis as they are by default orthogonal and can be helpful in avoiding multicollinearity issues ([Hair et al. 2010](#)). [Table 4](#) details the rotated component matrix, and the precise wording of the decision principles evaluated.

Table 4. Rotated Component Matrix.

Factor Analysis - Rotated Component Matrix					
Survey Questions Agreement scale 1 to 10	1	2	3	4	5
Interest Representation of Stakeholders					
An organization should ensure that decision, actions, procedures, that are promulgated do not further disadvantage impoverished consumers	.849	.161	.214	.001	.237
An organization ought to engage in dialog with impoverished customers regarding its products and services so as to ensure a greater likelihood of customers' interests being taken into account	.872	-.104	.260	.111	.047
An organization ought to make efforts to understand the difficulties and constraints faced by impoverished consumers, and try to alleviate them to enhance overall consumer experience	.851	.039	.234	.167	.005
An organization ought to enable better access of impoverished customers to the market to enable them to better participate in the market economy	.863	.102	.259	.207	.034
An organization ought to view impoverished markets as sources of opportunity , innovation, and competitive advantage	.784	.321	.294	.112	-.230
An organization should ensure that information about its products and services is easily understood by its impoverished consumers	.759	-.017	.334	-.042	.298
Authentic Engagement					
An organization ought to take a long-term perspective that improving the quality of society and the environment is to the benefit of all	-.221	.759	.345	.212	.013
An organization should support the formalization of consumer rights that guarantee safety, redress, sufficient information and other basic requirements of exchange fairness	-.139	.818	.323	.234	.125
In the conception, production and delivery of goods or services, an organization should strive to ensure ecological footprint in minimized	-.075	.737	.222	.371	-.173
Instead of seeking to maximize financial returns in the short run, an organization ought to aim to create sustainable value in the long-run	.259	.840	.012	-.207	.022
An organization consistent with its role as a social as well as economic institution, ought to consider social goals as ends rather than as means to financial end	.278	.846	.014	.057	-.118
An organization ought to increase business success with a long-term perspective based on social, environmental and financial returns	.228	.827	.342	-.159	-.011
Value Co-Creation					
An organization ought to use its resources to ensure that its fairly priced offering proposes what is of best economic value for its targeted impoverished customers	.419	.105	.785	.110	.264
An organization should engage in a co-creation process that fosters sustained partnerships and develops mutual trust that extends beyond consumption of product or service	.304	.262	.849	.161	.083
An organization ought to leverage local innovation and actively seek ways in which its impoverished customers can participate in the value co-creation	.382	.303	.725	.132	.274
An organization should strive to increase the capabilities of impoverished segments so as to ensure . . . participation in market economy	.421	.253	.777	.150	.053
In keeping with an emerging perspective in impoverished markets, an organization ought to afford access to products and services (lease/share)	.355	.309	.745	.014	-.176
Investment in Future Consumption					
An organization should foster social sustainability while ensuring profitability in the long run	.299	.287	-.036	.744	.306
An organization ought to partner with local NGOs so as to leverage the expertise , goodwill and network of the NGO in a mutually advantageous manner	.172	-.046	.315	.832	-.140
Demonstrated Consideration					
A firm ought to demonstrate through business policies and ethical audits that it does consider the interests of all its stakeholders	.141	-.106	.169	.031	.901

Discussion

The primary objective of this work has been to measure the extent to which marketers and managers agree that the decision principles proposed by Santos and Lacznia (2012) actually do reflect the core tenets of the IJM. Ultimately, the most reliable items can be used to develop a valid structure for operationalizing the constructs of the IJM, a normative ethical framework for *just* marketing, particularly when engaging with impoverished markets. Operationalizing a construct involves determining the measured variables that will represent a construct, thus factor analysis was used to evaluate which of the measured variables, based on the tenets of the IJM, would “hang together” as useful for assessing fairness in a marketing exchange. Further, would the decision principles proposed by Santos and Lacznia (2012) load together on a given factor as proposed, or might the statistical constructs suggest an alternative structure? We pursue an easily understood structure, a set of constructs, with items (decision principles) to measure the constructs, with the intent of developing a scale with which to measure justice in the marketing context particularly when engaging with the poor or other vulnerable market segments.

A total of 40 items are reduced to the most useful 20, loading on three primary constructs (*Interest Representation of Stakeholders*, *Authentic Engagement*, and *Value Co-creation*). Two factors are determined to require further development: *Investment in Future Consumption*, and the latent notion of “demonstrated consideration.” Three eliminated items reflect ideas related to building trust with customers at all levels and developing competitive advantage through collaboration. While these concepts are certainly useful elements of the IJM, further development of the items is needed to prevent them from dominating a component with high loadings yet offering limited variance explanation. Twelve items were eliminated due to component cross-loadings (two loadings $> .5$ or distance $< .25$), and five due to low item to total correlation.

To maintain consistency with the IJM as presented and detailed in the literature, specifically [Santos and Laczniaak's \(2012\)](#) application of the IJM to multinational corporations engaged in marketing in impoverished contexts, construct names reflect the core tenets of the IJM. In some instances the constructs (factors) are comprised of decision principles from other tenets of the IJM (see [Table 1](#), far right column). For example, the factor solution reveals that the first component is comprised of five items intended to reflect “Interest Representation of Stakeholders” (STR), and one initially intended to reflect the theoretical concept of financial sustainability or “long term profit management vs. short term profit maximization” (LTPM). Two of the six “Authentic Engagement” (AE) items load nicely on the second construct, yet sustainability is clearly associated with authentic engagement as three LTPM items load on the AE construct. This follows for Value Co-creation (VC), with three items reflecting value co-creation as intended, plus two which were originally used to describe IFC, namely increasing the capability for the low income consumer to participate, and affording them access to lease/share vs. ownership. The IFC construct is comprised of two items, one from the original AE list, suggesting a theme of social sustainability, and one suggesting collaborating to leverage network expertise, originally intended to reflect VC.

A new potential construct, reflecting “demonstrated consideration” of stakeholder interests through ethics audits is introduced for further development. Comprised of a singular item loading strongly (.90) on a fifth component, explaining 7% variance, the item reads as follows: “A firm ought to demonstrate through business policies and ethical audits that it does consider the interests of all its stakeholders.” The fact that this action-oriented explicit behavioral variable explains 7% of the variance warrants further attention. Comparing factor scores, no significant differences are identified by gender or age of the organization.

Implications

Three of the five factors support the theoretical tenets of the IJM detailed in extant literature, yet suggest that its measurement may have contextual nuances. For example, measuring the extent to which a firm views impoverished markets as an opportunity, can facilitate representing stakeholder interests, perhaps more effectively than measuring the item would facilitate understanding of long-term profit management perspectives (as originally suggested by Santos and Lacznia). The Authentic Engagement factor captures items from both the original “authentic engagement” and “long-term profit management” tenets. The factor is consistent with the megatrend of sustainability as essential to corporate social responsibility, thereby adding to the face validity of the original IJM derivation. The value co-creation construct is comprised of three measures as originally recommended, namely assessing whether 1) fair prices reflect the best economic value, 2) sustainable, trusting partnerships are fostered and 3) local innovation is leveraged. Two items intended for IFC can help the marketer further assessment of value co-creation, including a focus on increasing the capability of low income consumers to participate (e.g., in the marketplace exchange), and affording access to leasing or sharing vs. ownership. Assessing Investment in Future Consumption (IFC) is perceived to be facilitated by an understanding of the extent to which a firm fosters social sustainability and collaborates with other organizations (e.g., local NGOs) to leverage network expertise and goodwill. Lastly, explicit demonstration of business policies and ethical audits is likely to signal recognition of a justice commitment to all stakeholders. Assessment of both implicit and explicit efforts, using the IJM framework, supported by the proposed decision principles ([Table 1](#)), can facilitate such business policy development and ethical audits, resulting in an effective review of justice in the marketplace exchange.

Assessing the extent to which a firm adheres to the tenets of the IJM, particularly when decisions affect the vulnerable or marginalized consumer, supports extant literature in consumer vulnerability, defined as multidimensional, context specific, and not necessarily enduring ([Baker, Gentry, and Rittenburg 2005](#)). Baker et al. (p. 128) clarify that actual vulnerability occurs when it is experienced, and “can only be understood by listening to and observing the experiences of the consumer.” Measurement of the extent to which the tenets of the IJM are honored in the marketplace exchange can, for example, help a multinational corporation (MNC) focus on generating consistent input from local subsistence entrepreneurs who are competitively affected by distribution of the MNC's products into their marketplace. The MNC might co-create franchise opportunities or develop programs with local NGOs, leveraging local goodwill, thus co-creating ways to provide the low income or otherwise vulnerable consumer with access vs. ownership.

Measurement of the IJM reflecting the extent to which such activities (as defined by the decision principles) are prevalent in the exchange, can provide MNC shareholders with an advocacy stance, for better or worse, which can be monitored for improvement or celebrated as achievement. [Baker \(2009\)](#) urges increased participation and engagement of all stakeholders in the decisions that affect their lives, thus enhancing consumer welfare and diffusing charges of exploitation, often aimed at marketers. The lack of significant differences in perceptions of the extent to which the decision principles reflect the tenets of the IJM underscores the practical usefulness of the IJM as a tool to evaluate marketing efforts of not only the firm, but social entrepreneurs, and other social innovators in collaboration with local NGOs and social networks. The IJM can facilitate 1) an attentive focus on listening to the voice of the vulnerable consumer, and 2) a commitment to serving as a microphone to amplify marketplace needs.

Further, marketplace conditions affect consumer choices, attitudes and behaviors, underscoring the critical importance of *authentic* engagement with consumers ([Baker 2009](#)). [Botti et al. \(2008\)](#) offer a framework for assessing consumer choice under restrictions, calling for research that provides empirical generalizations that facilitate the prediction of the impact of restrictions before imposition. [Hill and Martin \(2014, p. 17\)](#) stress the need for measures of success that integrate “what marketing does, how it is done, and what it fails to do, so that scholars and policy makers can fully comprehend its larger impact.” Efforts to operationalize the IJM move academic researchers one step closer to helping practitioners monitor fairness in marketing practices.

Limitations and Future Research

Small sample size is clearly a limitation, yet valid statistical analysis with small samples is urgently needed in subsistence and consumer vulnerability contexts. We are encouraged by the reliability analysis, which has enabled validation of the best items to measure the constructs of the IJM in a way that users should find accessible and ultimately most useful. Future research will employ a revised survey instrument, reflective of the restructured constructs in a more digestible, less time-consuming format which is likely to garner greater response rates. Clearly the items can and should be adapted to the context in which they are applied, yet the “application specific” nature of evaluative questions results in statistical validation challenges. The general tenets are measurable, but application-specific questions (items) may need to be tailored. The next-step in operationalization/empirical research will attempt to use the best items from this research and potentially test others for more universal application. The intent of this work has been to begin the process of operationalizing the general tenets of the IJM, and better

understand which types of questions should be asked in order to garner an understanding of the extent to which an organization reflects a just approach to marketing, as measured by the marketer (e.g., as auditor) or manager.

This research empirically validates the reliability of the items well suited for inclusion in the next-stage development of an IJM measurement tool that can assist marketers in operationalizing the framework, given evidence of its measurability and practical applicability. The work will serve as a foundation for future publications on the development of an IJM index or audit to help marketers understand the nuances of “just” marketing particularly when marketing to, for or with the poor. Further, it is not unreasonable to envision the IJM serving as a foundation for teaching marketing skills in subsistence contexts. After operationalizing the IJM, we intend to focus on metrics for evaluating implementation of the IJM and extensions of the IJM to other vulnerable and disadvantaged populations.

Conclusion

While much progress has been made in understanding fair marketing practices, particularly from a macromarketing perspective, the development of tools to guide implementation of a normative framework, and subsequent operational analysis of such a framework, is a logical next step. The theoretical tenets of the normative IJM framework are validated by a set of reliable constructs that can be used to begin a process of measuring justice in marketing, particularly when engaged in impoverished market settings. The initial decision principles proposed by [Santos and Lacznik \(2012\)](#) have been rearranged slightly, some falling on new or different overarching constructs, yet their individual, intended meaning has not been altered. This analysis suggests that the constructs should prove useful in varied applications, as they are understood and accepted by varied types of users and organizations.

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Supplemental Material

The online [appendices/data supplements/etc] are available at <http://jmk.sagepub.com/supplemental>.

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